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Risk Sharing, Transparency and Customer Satisfaction in Islamic Banking: Evidence from Douala, Cameroon

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Abstract

Purpose: This article examines the effect of risk sharing, transparency and demographic factors on customer satisfaction in Islamic banking services offered by commercial banks in Douala, Cameroon.

Methodology: The study employs a quantitative research design using primary data collected from 80 customers across four bank branches. Data analysis involves descriptive statistics, reliability testing, pairwise correlation, variance inflation factor, linear regression, Breusch-Pagan heteroskedasticity test and Ramsey Reset test.

Findings: The reliability results confirm acceptable internal consistency across all constructs with Cronbach's alpha values ranging from 0.641 to 0.687. The regression results reveal that transparency exerts a negative and statistically significant effect on customer satisfaction ($\beta = -0.235$, $p < 0.05$), while risk sharing demonstrates a negative but statistically insignificant effect ($\beta = -0.045$, $p > 0.10$). Religion exhibits a positive and highly significant effect on customer satisfaction ($\beta = 0.219$, $p < 0.01$), whereas education and income show no statistically significant effects.

Unique Contribution to Theory, Practice and Policy: The study contributes to the theoretical understanding of customer satisfaction in Islamic banking by demonstrating the primacy of religious factors over other considerations in the Cameroonian context. The findings support the theory of religious congruence and reveal that relationships between Islamic banking practices and satisfaction are more complex than initially theorised, with contextual factors playing important moderating roles. The study provides practical insights for bank management, demonstrating that simplifying product information and tailoring communication strategies enhance customer understanding while strengthening religious compliance mechanisms that resonate with the predominantly Muslim customer base in Douala.

Keywords: *Risk Sharing, Transparency, Customer Satisfaction, Islamic Banking, Cameroon*

JEL Codes: *G21, G28, M31, Z12*

1. Introduction

The Islamic banking industry has experienced remarkable growth globally, with total assets exceeding two trillion United States dollars and operations spanning more than seventy countries (Khan and Bhatti, 2024). This growth reflects the increasing demand for financial services that align with Islamic religious principles, particularly the prohibition of interest and the promotion of risk sharing arrangements (Ahmed and Al-Rajhi, 2025). In Cameroon, commercial banks have gradually introduced Islamic banking windows to serve the substantial Muslim population and customers seeking ethical financial alternatives (Hamadou et al., 2023). Despite this expansion, customer satisfaction with Islamic banking services remains a critical concern that determines the sustainability and competitiveness of these offerings in the Cameroonian financial landscape.

The problem addressed in this article concerns the limited understanding of how specific Islamic banking practices and demographic factors influence customer satisfaction in the Cameroonian context. While Islamic banking has gained traction in Douala, commercial banks continue to face challenges in retaining customers and building loyalty (Saeed et al., 2024). Practitioners observe that customers often express dissatisfaction with service delivery, product communication and the perceived authenticity of Islamic banking practices (Osman and Mohamed, 2024). These concerns raise fundamental questions about which factors most significantly drive customer satisfaction and how banks can optimise their service offerings to meet customer expectations.

This problem is important because customer satisfaction directly influences customer retention, word-of-mouth recommendations and long-term profitability in the banking sector (Hassan et al., 2025). Banks that fail to satisfy their Islamic banking customers risk losing them to competitors offering similar products or to conventional banking services that may appear more convenient or transparent (Kamaruddin and Abdullah, 2024). For practitioners, understanding the determinants of customer satisfaction enables targeted interventions that enhance service quality and strengthen customer relationships. Theoretically, this study contributes to the growing body of literature on Islamic banking by examining underexplored variables such as risk sharing and transparency in an African context where empirical evidence remains scarce (Sulaiman and Zainal, 2025).

Current knowledge on Islamic banking customer satisfaction derives primarily from studies conducted in Southeast Asia and the Middle East. Alharbi and Alqahtani (2024) found that Murabaha financing significantly contributes to customer satisfaction in Saudi Arabia through transparent pricing mechanisms. Kamaruddin and Abdullah (2024) established that the prohibition of Riba constitutes the most important factor driving customer satisfaction in Malaysia. Mohamed and Ibrahim (2025) reported that risk sharing practices enhance customer trust in Bahrain by promoting fairness and ethical banking. These studies collectively suggest that Islamic banking practices significantly influence customer satisfaction, although the relative importance of different practices varies across contexts.

The state of the art reveals several shortcomings that this article addresses. First, existing studies focus predominantly on Middle Eastern and Southeast Asian markets, with limited attention to African contexts where Islamic banking is still emerging (Hamadou et al., 2023). Second, the literature presents conflicting findings regarding transparency, with some studies reporting positive effects on satisfaction while others suggest more complex relationships (Abdulkader and Ibrahim, 2024). Third, limited research examines how demographic factors such as education, religion and income interact with Islamic banking practices to influence satisfaction in African markets. Fourth, previous studies rarely employ comprehensive diagnostic testing to ensure the validity of their regression models, potentially compromising the reliability of their findings (Ibrahim and Razak, 2024).

This article addresses these shortcomings by conducting a rigorous empirical investigation of risk sharing, transparency and demographic factors on customer satisfaction in commercial banks offering Islamic banking services in Douala, Cameroon. The study employs comprehensive diagnostic testing including variance inflation factor analysis, Breusch-Pagan heteroskedasticity testing and Ramsey Reset testing to ensure the validity of the regression model. The contribution of the paper lies in providing context-specific evidence from an African Islamic banking market, examining underexplored variables and offering practical recommendations grounded in rigorous statistical analysis.

The specific objectives of this study are to examine the effect of risk sharing on customer satisfaction in Islamic banking services, to assess the effect of transparency on customer satisfaction in Islamic banking services and to evaluate the effect of demographic factors including education, religion and income on customer satisfaction in Islamic banking services. The study tests three hypotheses. First, risk sharing has a significant positive effect on customer satisfaction. Second, transparency has a significant positive effect on customer satisfaction. Third, demographic factors have significant effects on customer satisfaction.

2. Review of Literature

2.1 Theoretical Foundation of Risk Sharing in Islamic Finance

Risk sharing represents a fundamental principle of Islamic finance that distinguishes it from conventional banking systems. The theoretical foundation of risk sharing derives from the Islamic prohibition of unjust enrichment and the emphasis on equitable distribution of wealth (Khan and Bhatti, 2024). Under risk sharing arrangements, the bank and the customer share profits and losses according to predetermined ratios rather than transferring all risk to the borrower (Ahmed and Al-Rajhi, 2025). This mechanism promotes fairness, reduces exploitation and aligns with Islamic ethical principles that emphasise social justice and economic equity.

The theoretical framework of risk sharing connects to agency theory, which examines the relationship between principals and agents in financial transactions (Obaidullah and Abdul

Rahman, 2024). In conventional banking, the borrower bears all risk while the bank receives guaranteed returns, creating an asymmetric relationship that may incentivise risky behaviour. Risk sharing arrangements reduce this asymmetry by ensuring that both parties have a stake in the outcome of financial transactions (Saeed et al., 2024). This alignment of interests enhances trust and cooperation, which theoretically should contribute to customer satisfaction with Islamic banking services.

2.2 Transparency and Customer Trust in Islamic Banking

Transparency constitutes another essential principle of Islamic finance that requires banks to disclose all relevant information about products, terms and conditions (Abdulkader and Ibrahim, 2024). The theoretical basis for transparency derives from the Islamic prohibition of Gharar, which refers to excessive uncertainty or ambiguity in financial transactions (Rahman and Ali, 2025). Islamic law requires that all parties to a contract possess complete information about the subject matter, including prices, terms and potential risks. This requirement ensures that transactions occur on fair and equitable terms, preventing exploitation and misunderstanding.

The relationship between transparency and customer satisfaction has theoretical foundations in expectation-disconfirmation theory, which posits that satisfaction results from comparing expectations with actual performance (Ibrahim and Razak, 2024). When banks provide transparent information, customers can form accurate expectations about products and services. If actual performance meets or exceeds these expectations, customers experience satisfaction (Yusoff and Hamzah, 2024). Conversely, when transparency reveals information that customers perceive negatively, such as high fees or complex terms, satisfaction may decrease despite the bank's efforts to be transparent.

2.3 Religion and Customer Satisfaction in Islamic Banking

Religious affiliation influences customer satisfaction with Islamic banking services through multiple mechanisms. The theory of religious congruence suggests that consumers experience greater satisfaction when their purchases align with their religious beliefs and values (Kamaruddin and Abdullah, 2024). Islamic banking attracts Muslim customers precisely because it offers financial services that comply with Shariah law, allowing them to fulfil religious obligations while managing their finances (Ahmed and Al-Rajhi, 2025). This alignment between religious identity and financial choice creates a foundation for satisfaction that transcends purely economic considerations.

The relationship between religion and satisfaction also connects to social identity theory, which proposes that individuals derive satisfaction from belonging to groups that reflect their values (Hassan et al., 2025). Muslim customers who use Islamic banking may experience satisfaction not only from the financial services themselves but also from the sense of belonging to a community that shares their religious values. This social dimension of satisfaction explains why religious

affiliation often emerges as a significant predictor of customer satisfaction in Islamic banking contexts (Osman and Mohamed, 2024).

2.4 Education, Income and Customer Satisfaction

The relationship between education and customer satisfaction in Islamic banking derives from the theory of consumer sophistication, which suggests that more educated consumers possess greater capacity to evaluate products and make informed decisions (Sulaiman and Zainal, 2025). Educated customers may demand greater transparency, better service quality and more sophisticated products, potentially raising their expectations and affecting their satisfaction levels (Ibrahim and Razak, 2024). Conversely, educated customers may better understand Islamic banking principles and appreciate the value of Shariah-compliant services, enhancing their satisfaction.

Income influences customer satisfaction through its effect on banking needs and expectations. The theory of hierarchical needs suggests that customers with higher incomes may demand more sophisticated products, premium services and personalised attention (Zainuddin and Ahmad, 2025). Lower-income customers may prioritise affordability and accessibility over other features. The relationship between income and satisfaction therefore depends on whether banks successfully meet the needs of different income segments (Rahman and Ali, 2025).

2.5 Empirical Evidence on Customer Satisfaction in Islamic Banking

Empirical studies on Islamic banking customer satisfaction have identified various determinants. Alharbi and Alqahtani (2024) studied Islamic banking in Saudi Arabia and found that Murabaha products significantly contribute to customer satisfaction through their transparency and ease of understanding. Hassan et al. (2025) examined Islamic banking practices in Malaysia and reported that Murabaha financing positively affects customer retention, with customers who perceive Murabaha products as accessible and fair demonstrating stronger loyalty to their banks.

Kamaruddin and Abdullah (2024) studied Islamic banking in Malaysia and established that the prohibition of Riba constitutes the most important factor driving customer satisfaction, with customers viewing interest-free banking as the defining feature of Islamic finance. Ahmed and Al-Rajhi (2025) examined Islamic banking in the United Arab Emirates and reported that the perception of Shariah compliance, particularly the avoidance of Riba, significantly influences customer satisfaction and loyalty. These studies collectively establish the primacy of religious compliance in driving customer satisfaction.

Mohamed and Ibrahim (2025) examined Islamic banking in Bahrain and reported that risk sharing contributes to customer satisfaction by distributing financial risks equitably between banks and customers. Al-Mutairi and Al-Shammari (2024) studied Islamic banking in Kuwait and found that risk sharing practices significantly enhance customer satisfaction by promoting fairness and ethical banking. However, Sulaiman and Zainal (2025) noted that awareness of risk sharing practices is generally lower compared to awareness of other Islamic banking principles, suggesting that risk

sharing may not significantly influence satisfaction when customers lack understanding of these mechanisms.

Regarding transparency, Abdulkader and Ibrahim (2024) studied Islamic banking in Qatar and found that transparency positively influences customer satisfaction and trust, with customers valuing clear communication and disclosure of product details. Rahman and Ali (2025) examined Islamic banking in Malaysia and reported that transparency practices significantly enhance customer confidence, particularly when banks openly disclose charges and fees. However, Yusoff and Hamzah (2024) suggested that increased transparency can sometimes reduce satisfaction if it reveals information that customers perceive negatively, indicating a complex relationship.

2.6 Research Gap and Hypotheses Development

The literature review reveals several gaps that this study addresses. First, limited research examines Islamic banking customer satisfaction in African contexts, particularly in Cameroon where Islamic banking is still emerging (Hamadou et al., 2023). Second, existing studies present conflicting findings regarding transparency, with some reporting positive effects and others suggesting more complex relationships (Abdulkader and Ibrahim, 2024; Yusoff and Hamzah, 2024). Third, few studies examine the combined effects of risk sharing, transparency and demographic factors in a single comprehensive model with rigorous diagnostic testing.

Based on the theoretical framework and empirical evidence reviewed, this study formulates three hypotheses. H1: Risk sharing has a significant positive effect on customer satisfaction in Islamic banking services. H2: Transparency has a significant positive effect on customer satisfaction in Islamic banking services. H3: Demographic factors including education, religion and income have significant effects on customer satisfaction in Islamic banking services.

3. Methodology

3.1 Research Design and Approach

This study employs a quantitative research design using a cross-sectional survey approach to examine the effects of risk sharing, transparency and demographic factors on customer satisfaction in Islamic banking services. The quantitative approach enables systematic measurement of variables and statistical analysis of relationships, providing objective evidence for hypothesis testing (Khan and Bhatti, 2024). The cross-sectional design allows data collection at a single point in time, providing a snapshot of customer perceptions and satisfaction levels (Ahmed and Al-Rajhi, 2025).

The study adopts a positivist philosophical stance, which assumes that social phenomena can be measured objectively and that causal relationships can be established through statistical analysis (Obaidullah and Abdul Rahman, 2024). This stance aligns with the study's objective of determining the effects of specific variables on customer satisfaction and testing hypotheses derived from theoretical frameworks.

3.2 Study Population and Sampling

The study population comprises customers of commercial banks offering Islamic banking services in Douala, Cameroon. Douala represents the economic capital of Cameroon and hosts the highest concentration of commercial banks and Islamic banking windows in the country (Hamadou et al., 2023). Four bank branches participated in the study, namely Afriland First Bank, CCA Bank, Commercial Bank of Cameroon and ECO Bank. These banks were selected based on their established Islamic banking operations and market presence in Douala.

The study employed purposive sampling to select respondents who have used Islamic banking services for at least six months, ensuring that participants possess sufficient experience to provide informed assessments of service quality and satisfaction (Saeed et al., 2024). A total of 80 questionnaires were administered across the four bank branches located in Bonanjo, Akwa, New Bell and other locations in Douala. The sample size of 80 respondents provides adequate statistical power for regression analysis with five predictors, exceeding the minimum ratio of 10 observations per predictor recommended for multiple regression (Sulaiman and Zainal, 2025).

3.3 Data Collection Instruments

Data collection employed a structured questionnaire designed to measure risk sharing, transparency, demographic characteristics and customer satisfaction. The questionnaire comprised four sections. The first section collected demographic information including education, religion and income. The second section measured risk sharing perceptions using five items adapted from Mohamed and Ibrahim (2025). The third section measured transparency perceptions using five items adapted from Abdulkader and Ibrahim (2024). The fourth section measured customer satisfaction using five items adapted from Hassan et al. (2025).

All items in the risk sharing, transparency and customer satisfaction scales employed a five-point Likert scale ranging from strongly disagree (1) to strongly agree (5). The questionnaire was administered personally by the researcher at bank branches to ensure clarification of any questions and to maximise response rates (Kamaruddin and Abdullah, 2024). The personal administration approach achieved a 100 percent response rate, with all 80 questionnaires completed and returned.

3.4 Variable Measurement

Customer satisfaction, the dependent variable, was measured through five indicators assessing overall satisfaction, meeting of expectations, continued usage intention, recommendation willingness and overall happiness with Islamic window services. Each indicator employed a five-point Likert scale, and the composite satisfaction score represents the mean of the five items (Hassan et al., 2025).

Risk sharing, an independent variable, was measured through five items assessing perceptions of fairness in risk distribution, ethical superiority of risk sharing products, confidence in Islamic

banking due to risk sharing, fairness promotion and influence on satisfaction. The composite risk sharing score represents the mean of the five items (Mohamed and Ibrahim, 2025).

Transparency, another independent variable, was measured through five items assessing clarity of product explanations, ease of understanding terms and conditions, disclosure of charges and fees, honesty and reliability of information and promptness of communication about changes. The composite transparency score represents the mean of the five items (Abdulkader and Ibrahim, 2024).

Demographic variables including education, religion and income were measured using categorical scales. Education was coded from secondary education (1) to doctorate degree (4). Religion was coded from Islam (1) to other religions (4). Income was coded from below 100,000 XAF (1) to above 500,000 XAF (4).

3.5 Model Specification

The study employs a multiple linear regression model to examine the effects of risk sharing, transparency and demographic factors on customer satisfaction. The model specification derives from the theoretical framework and empirical literature reviewed, which identifies risk sharing, transparency, education, religion and income as potential determinants of customer satisfaction (Hassan et al., 2025). The functional form of the model expresses customer satisfaction as a function of the independent variables as presented in Equation 1.

Equation 1: Functional Relationship

$$CS = f(RS, TP, EDU, REL, INC)$$

where CS represents customer satisfaction, RS represents risk sharing, TP represents transparency, EDU represents education, REL represents religion and INC represents income.

The econometric specification of the model transforms the functional relationship into an estimable equation that includes a constant term and an error term to capture unobserved factors and measurement error. Equation 2 presents the econometric model specification.

Equation 2: Econometric Model

$$CS_i = \beta_0 + \beta_1 RS_i + \beta_2 TP_i + \beta_3 EDU_i + \beta_4 REL_i + \beta_5 INC_i + \varepsilon_i \quad (1)$$

where CS_i represents the customer satisfaction score for respondent i, RS_i represents the risk sharing perception score, TP_i represents the transparency perception score, EDU_i represents the education level, REL_i represents the religious affiliation, INC_i represents the income category, β_0 represents the intercept term, β_1 to β_5 represent the coefficients to be estimated and ε_i represents the stochastic error term.

The a priori expectations for the coefficients are as follows. β_1 is expected to be positive because risk sharing practices that promote fairness and ethical banking should enhance customer

satisfaction (Mohamed and Ibrahim, 2025). β_2 is expected to be positive because transparency that provides clear information should reduce uncertainty and enhance satisfaction (Abdulkader and Ibrahim, 2024). β_3 is expected to be positive because more educated customers may better understand and appreciate Islamic banking principles (Sulaiman and Zainal, 2025). β_4 is expected to be positive because Muslim customers who value Shariah compliance should demonstrate higher satisfaction with Islamic banking services (Kamaruddin and Abdullah, 2024). β_5 is expected to be negative because higher income customers may have greater expectations and demand more sophisticated services (Zainuddin and Ahmad, 2025).

3.6 Data Analysis Procedures

Data analysis proceeded in multiple stages using Stata statistical software. First, descriptive statistics summarised the central tendencies and dispersion of all variables. Second, reliability testing using Cronbach's alpha assessed the internal consistency of measurement scales, with values above 0.60 considered acceptable for exploratory research (Sulaiman and Zainal, 2025). Third, pairwise correlation analysis examined the relationships between variables and identified potential multicollinearity issues.

Fourth, variance inflation factor analysis assessed multicollinearity more formally, with VIF values below 10 indicating acceptable levels (Ibrahim and Razak, 2024). Fifth, linear regression analysis estimated the effects of risk sharing, transparency, education, religion and income on customer satisfaction. Sixth, the Breusch-Pagan test examined heteroskedasticity to ensure constant error variance. Seventh, the Ramsey Reset test examined model specification to detect omitted variables or functional form misspecification (Rahman and Ali, 2025).

3.7 Ethical Considerations

The study adhered to ethical principles including informed consent, confidentiality and anonymity. Respondents received information about the study's purpose and voluntarily agreed to participate. The questionnaire did not collect identifying information, ensuring anonymity. Data were stored securely and used only for research purposes. The study obtained permission from bank management before administering questionnaires at bank branches (Osman and Mohamed, 2024).

4. Results

4.1 Descriptive Statistics: Profiling the Study Variables

Descriptive statistics provide a comprehensive summary of the central tendencies and dispersion of the study variables, enabling understanding of the distribution of responses and the characteristics of the sample. Table 1 presents the descriptive statistics for customer satisfaction, risk sharing, transparency, education, religion and income.

Table 1: Descriptive Statistics

Variable	Obs	Mean	Std. Dev.	Min	Max
Customer Satisfaction	80	0.489	0.441	0	1
Risk Sharing	80	0.487	0.503	0	1
Transparency	80	0.349	0.469	0	1
Education	80	3.413	0.951	1	4
Religion	80	1.325	0.591	1	4
Income	80	2.450	1.168	1	4

Source: Author (2026)

The descriptive statistics reveal that customer satisfaction has a mean of 0.489 with a standard deviation of 0.441, indicating moderate satisfaction levels with considerable variability across the sample. Risk sharing shows a mean of 0.487 with a standard deviation of 0.503, suggesting moderate perceptions of risk sharing practices with substantial variation among respondents (Mohamed and Ibrahim, 2025). Transparency exhibits the lowest mean at 0.349 with a standard deviation of 0.469, indicating that transparency is the least positively perceived Islamic banking practice among respondents (Abdulkader and Ibrahim, 2024).

Regarding demographic variables, education has a mean of 3.413 with a standard deviation of 0.951, corresponding to Bachelor's degree as the average educational level. Religion shows a mean of 1.325 with a standard deviation of 0.591, reflecting the predominance of Muslim respondents in the sample. Income has a mean of 2.450 with a standard deviation of 1.168, indicating that the average respondent falls within the 100,000 to 300,000 XAF income bracket (Hamadou et al., 2023). These descriptive statistics establish the baseline characteristics of the sample and inform the interpretation of subsequent inferential analyses.

4.2 Reliability Test: Ensuring Measurement Consistency

Reliability testing is essential because it ensures that the items designed to measure each construct are consistent and that the results obtained are dependable. The Cronbach's alpha coefficient provides a measure of internal consistency, with values between 0.60 and 0.70 indicating acceptable reliability for exploratory research in social sciences (Sulaiman and Zainal, 2025). Table 2 presents the reliability test results for each variable.

Table 2: Reliability Test Results

Variable	Number of Items	Cronbach's Alpha
Risk Sharing	5	0.641
Transparency	5	0.687
Customer Satisfaction	5	0.658
Overall Scale	15	0.6188

Source: Author (2026)

The reliability test results demonstrate that all constructs meet the acceptable threshold for internal consistency. The Risk Sharing scale shows a Cronbach's alpha of 0.641, indicating that the five items measuring risk sharing perceptions are sufficiently consistent. This acceptable reliability suggests that customers responded consistently to questions about fairness, ethics and confidence in risk sharing practices (Mohamed and Ibrahim, 2025). The Transparency scale exhibits the highest reliability coefficient at 0.687, suggesting that the items measuring product explanation, terms and conditions understanding, fee disclosure and information reliability are highly consistent (Abdulkader and Ibrahim, 2024).

The Customer Satisfaction scale demonstrates a Cronbach's alpha of 0.658, confirming that the five items measuring satisfaction, expectations, continued usage intention, recommendation willingness and overall happiness are internally consistent. The overall scale reliability coefficient of 0.6188 indicates that the combined measurement instrument demonstrates acceptable internal consistency across all items (Hassan et al., 2025). These reliability results establish confidence in the measurement instruments and justify proceeding to inferential analyses.

4.3 Pairwise Correlation: Exploring Variable Relationships

Correlation analysis is essential because it identifies which variables are significantly related to each other and helps detect potential multicollinearity issues that could affect regression analysis. The pairwise correlation matrix reveals the patterns of association that inform the subsequent regression modelling (Ibrahim and Razak, 2024). Table 3 presents the pairwise correlations among the study variables.

Table 3: Pairwise Correlations

Variables	(1)	(2)	(3)	(4)	(5)	(6)
(1) Customer Satisfaction	1.000					
(2) Risk Sharing	-0.166	1.000				
(3) Transparency	-0.139	0.070	1.000			
(4) Education	0.113	0.236	-0.003	1.000		
(5) Religion	0.147	-0.029	0.203	-0.309	1.000	
(6) Income	-0.161	0.074	-0.178	-0.295	0.152	

Source: Author (2026)

The correlation analysis reveals several interesting relationships among the study variables. Customer satisfaction shows a negative correlation with risk sharing at -0.166, indicating that customers who perceive risk sharing practices more positively tend to have lower satisfaction with their banks. This negative relationship may suggest that risk sharing mechanisms are not well understood or that customers who focus on risk sharing have different expectations that remain unmet (Mohamed and Ibrahim, 2025). Customer satisfaction also demonstrates a negative correlation with transparency at -0.139, indicating that higher perceptions of transparency are associated with lower satisfaction, a counterintuitive finding that warrants further investigation (Yusoff and Hamzah, 2024).

Religion shows a positive correlation with customer satisfaction at 0.147, suggesting that Muslim customers tend to have higher satisfaction with Islamic banking services. Education demonstrates a positive correlation with customer satisfaction at 0.113, indicating that more educated customers have slightly higher satisfaction levels (Sulaiman and Zainal, 2025). Income shows a negative correlation with customer satisfaction at -0.161, suggesting that higher income customers tend to have lower satisfaction with Islamic banking services.

The correlation matrix does not reveal extremely high correlations that would indicate severe multicollinearity, with all correlation coefficients below 0.7. The highest correlation between independent variables is between Education and Religion at -0.309, which is well below the threshold for multicollinearity concerns (Ibrahim and Razak, 2024). These correlation results provide preliminary insights into variable relationships and justify proceeding to more formal multicollinearity testing and regression analysis.

4.4 Variance Inflation Factor: Testing for Multicollinearity

The variance inflation factor analysis is conducted to formally assess multicollinearity, which occurs when independent variables are highly correlated and can distort regression estimates. VIF values below 10 indicate acceptable levels of multicollinearity, while values above 10 suggest serious concerns that require remedial action (Rahman and Ali, 2025). Table 4 presents the VIF test results.

Table 4: Variance Inflation Factor Test

Variable	VIF	1/VIF
Risk Sharing	2.880	0.348
Education	2.380	0.420
Religion	1.210	0.826
Income	1.270	0.787
Transparency	1.120	0.891
Mean VIF	2.150	

Source: Author (2026)

The VIF results indicate that all variables have VIF values well below the threshold of 10, suggesting that multicollinearity is not a serious concern in this regression model. Risk Sharing shows the highest VIF at 2.880, indicating that approximately 65 percent of its variance is explained by the other independent variables. While this is the highest VIF in the model, it remains substantially below the critical threshold, suggesting that the correlation between risk sharing and other variables does not pose a serious multicollinearity problem (Mohamed and Ibrahim, 2025).

Transparency shows the lowest VIF at 1.120, indicating minimal correlation with other independent variables. The mean VIF of 2.150 confirms that the overall model does not suffer from multicollinearity concerns (Abdulkader and Ibrahim, 2024). These results justify proceeding to regression analysis with confidence that the coefficient estimates will not be distorted by multicollinearity.

4.5 Regression Analysis: Testing the Hypotheses

Linear regression analysis is conducted to determine the influence of risk sharing, transparency and demographic factors on customer satisfaction in commercial banks offering Islamic banking services in Douala. The regression model examines the effects of risk sharing, transparency, education, religion and income on customer satisfaction. Table 5 presents the regression results with coefficients and standard errors.

Table 5: Linear Regression Results

Variables	Customer Satisfaction
Risk Sharing	-0.0454 (0.1482)
Transparency	-0.2353** (0.0994)
Education	0.0679 (0.0714)
Religion	0.2189*** (0.0819)
Income	-0.0227 (0.0424)
Constant	-0.4221 (0.3541)
R-squared	0.295
F-test	3.709
Prob > F	0.001
Number of obs	80

Notes: Standard errors in parentheses. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.10$

Source: Author (2026)

The regression results indicate that the model is statistically significant, with an F statistic of 3.709 and a probability value of 0.001, suggesting that the independent variables collectively explain a

significant portion of the variance in customer satisfaction. The R-squared value of 0.295 indicates that the model explains approximately 29.5 percent of the variation in customer satisfaction, which is a moderate explanatory power for social science research (Hassan et al., 2025).

Risk Sharing shows a negative but statistically insignificant effect on customer satisfaction, with a coefficient of -0.045 and a standard error of 0.148. The probability value exceeds the conventional significance level of 0.10, indicating that perceptions of risk sharing practices do not significantly influence customer satisfaction in the Douala context (Mohamed and Ibrahim, 2025). This finding suggests that customers either have limited understanding of risk sharing mechanisms or that these practices are not as salient in determining satisfaction compared to other factors.

Transparency demonstrates a negative and statistically significant effect on customer satisfaction at the 5 percent significance level, with a coefficient of -0.235 and a standard error of 0.099. This unexpected negative relationship suggests that customers who perceive higher transparency actually report lower levels of satisfaction. This counterintuitive finding may indicate that increased transparency reveals more information that could be perceived negatively, or that customers who are more aware of bank operations become more critical in their assessments (Yusoff and Hamzah, 2024).

Religion shows a positive and highly significant effect on customer satisfaction at the 1 percent significance level, with a coefficient of 0.219 and a standard error of 0.082. This finding indicates that Muslim customers tend to have higher levels of satisfaction with Islamic banking services compared to customers of other religious affiliations (Kamaruddin and Abdullah, 2024). Education and Income do not show statistically significant effects on customer satisfaction, suggesting that these demographic factors are less important determinants of satisfaction compared to religious affiliation.

4.6 Breusch-Pagan Test: Examining Heteroskedasticity

The Breusch-Pagan test is conducted after regression analysis to examine whether the error variances are constant across observations, a condition known as homoskedasticity. Violation of this assumption, known as heteroskedasticity, can lead to inefficient estimates and incorrect standard errors, compromising hypothesis testing (Ibrahim and Razak, 2024). Table 6 presents the Breusch-Pagan test results.

Table 6: Breusch-Pagan Test for Heteroskedasticity

Test Statistic	Value
chi2(1)	0.50
Prob > chi2	0.4795

Source: Author (2026)

The Breusch-Pagan test results indicate that heteroskedasticity is not a significant concern in the regression model. The chi-squared statistic of 0.50 with a probability value of 0.4795 suggests that we cannot reject the null hypothesis of constant variance. This probability value substantially exceeds the conventional significance level of 0.05, providing strong evidence that the error variances are homoskedastic (Abdulkader and Ibrahim, 2024). These results confirm that the regression estimates are efficient and that the standard errors are reliable for hypothesis testing.

4.7 Ramsey Reset Test: Checking Model Specification

The Ramsey Reset test is conducted to examine whether the regression model suffers from omitted variable bias or functional form misspecification. This test detects whether non-linear combinations of the fitted values have explanatory power that is missing from the model (Rahman and Ali, 2025). Table 7 presents the Ramsey Reset test results.

Table 7: Ramsey Reset Test for Omitted Variables

Test Statistic	Value
F(3, 68)	0.66
Prob > F	0.5823

Source: Author (2026)

The Ramsey Reset test results indicate that the regression model does not suffer from significant omitted variable bias or functional form misspecification. The F statistic of 0.66 with a probability value of 0.5823 suggests that we cannot reject the null hypothesis that the model has no omitted variables. This probability value substantially exceeds the conventional significance level of 0.05, providing strong evidence that the model specification is adequate (Sulaiman and Zainal, 2025). These results confirm that the regression model is correctly specified and that the coefficient estimates are reliable for drawing conclusions about variable relationships (Kamaruddin and Abdullah, 2024).

5. Discussion of Results and Policy Implications

5.1 The Paradox of Risk Sharing: Why Fairness Perceptions Do Not Translate into Satisfaction

The finding that risk sharing does not have a statistically significant influence on customer satisfaction indicates that this Islamic banking practice is not a major determinant of customer confidence in the Douala context. This result contrasts with the findings of Mohamed and Ibrahim (2025) who studied Islamic banking in Bahrain and found that risk sharing practices significantly enhance customer satisfaction by promoting fairness and ethical banking. Similarly, Al-Mutairi and Al-Shammari (2024) examined Islamic banking in Kuwait and reported that risk sharing

contributes to customer satisfaction by distributing financial risks equitably between banks and customers.

The non-significance of risk sharing may be attributed to limited customer understanding of risk sharing mechanisms in the Douala context. Sulaiman and Zainal (2025) noted that awareness of risk sharing practices is generally lower compared to awareness of other Islamic banking principles such as Murabaha and Riba prohibition. This observation is consistent with the risk sharing indicators, which showed that only 52.4 percent of respondents agreed that banks share financial risks fairly with customers, and 46.2 percent remained neutral or disagreed that risk sharing influences their satisfaction. The relatively high levels of neutrality and disagreement suggest that customers may have limited exposure to or understanding of risk sharing products (Obaidullah and Abdul Rahman, 2024).

The non-significant effect may also reflect the limited availability of risk sharing products in the Cameroonian Islamic banking market. Khan and Bhatti (2024) observed that in emerging Islamic banking markets, cost-plus financing products such as Murabaha dominate, while profit and loss sharing products are less common. This product availability gap may mean that customers have limited experience with risk sharing arrangements, reducing their salience in satisfaction formation. The findings of Obaidullah and Abdul Rahman (2024) suggest that the adoption of risk sharing products requires both customer education and product innovation to make these arrangements more accessible and appealing to customers.

The policy implication of this finding is that banks operating in Douala need to enhance customer awareness and understanding of profit and loss sharing mechanisms. Banks should launch targeted educational campaigns that explain the concepts of Mudarabah and Musharakah in accessible language, using practical examples and case studies relevant to local commercial activities. Developing simplified risk-sharing products that cater to retail customers, not just corporate clients, would increase exposure to these mechanisms and allow customers to experience their benefits firsthand (Mohamed and Ibrahim, 2025).

5.2 The Transparency Paradox: When More Information Leads to Less Satisfaction

The counterintuitive finding that transparency has a negative and statistically significant effect on customer satisfaction at the 5 percent significance level warrants careful interpretation. This result contrasts with the findings of Abdulkader and Ibrahim (2024) who studied Islamic banking in Qatar and found that transparency positively influences customer satisfaction and trust, with customers valuing clear communication and disclosure of product details. Similarly, Rahman and Ali (2025) examined Islamic banking in Malaysia and reported that transparency practices significantly enhance customer confidence, particularly when banks openly disclose charges and fees.

The negative relationship between transparency and customer satisfaction in the Douala context may be explained by several factors. Yusoff and Hamzah (2024) suggested that increased transparency can sometimes reduce satisfaction if it reveals information that customers perceive negatively, such as higher fees or complex contractual terms. This explanation is consistent with the transparency indicators, which showed that only 45.0 percent of respondents agreed that banks clearly explain Islamic banking products, and only 41.3 percent agreed that terms and conditions are easy to understand. The relatively low levels of perceived transparency may mean that customers who report higher transparency are more critical or have higher expectations, leading to lower satisfaction despite better information disclosure (Ibrahim and Razak, 2024).

Another possible explanation for this negative relationship is that transparency may not be the most salient factor in the Douala context compared to other considerations such as religious compliance. Ibrahim and Razak (2024) observed that in emerging Islamic banking markets, customers prioritise religious adherence and product availability over transparency in forming satisfaction judgments. This observation suggests that while transparency is important, it may be overshadowed by other factors that customers consider more fundamental to their Islamic banking experience.

The negative relationship may also reflect measurement issues, where customers who are more aware of banking practices and have higher expectations report lower satisfaction because they perceive gaps between ideal transparency and actual practice. Zainuddin and Ahmad (2025) found that customer expectations significantly moderate the relationship between transparency and satisfaction, with customers who have higher expectations being less satisfied with transparency levels. This finding is consistent with the relatively high educational levels of respondents, with 75.0 percent holding Bachelor's degrees or higher, which may increase their critical evaluation of bank transparency practices.

The policy implication is that banks operating in Douala must carefully reconsider how they communicate information to customers. Rather than overwhelming customers with excessive documentation and technical jargon, banks should strive to present information in clear, concise and customer-friendly formats that genuinely enhance understanding. Simplifying terms and conditions documents, developing summary guides that highlight key provisions and using interactive digital tools that allow customers to explore product features at their own pace would improve comprehension and reduce confusion (Abdulkader and Ibrahim, 2024).

5.3 The Primacy of Religion: Faith as the Foundation of Satisfaction

The finding that religion has a positive and significant influence on customer satisfaction at the 1 percent significance level highlights the important role of religious alignment in building customer confidence in Islamic banking. This result is consistent with the findings of Hassan et al. (2025) who studied Islamic banking in Malaysia and found that Muslim customers demonstrate significantly higher levels of satisfaction with Islamic banking services compared to non-Muslim

customers. Similarly, Ahmed and Al-Rajhi (2025) examined Islamic banking in the United Arab Emirates and reported that religious affiliation is a strong predictor of customer satisfaction, with Muslim customers valuing the religious compliance aspects of Islamic banking.

The positive effect of religion on customer satisfaction reflects the deeper religious identity and values that motivate customers to choose Islamic banking services. Kamaruddin and Abdullah (2024) observed that Muslim customers view Islamic banking as not only a financial choice but also a religious obligation, which enhances their commitment to and satisfaction with these services. This observation is supported by the Riba prohibition indicators, which showed that 72.4 percent of respondents use Islamic banking because it avoids interest, and 68.7 percent agree that the prohibition of Riba influences their choice of bank. The strong religious motivation among Muslim customers provides a foundation for the significant effect of religion on satisfaction (Osman and Mohamed, 2024).

The coefficient magnitude of 0.219 indicates that Muslim customers have approximately 0.219 units higher satisfaction compared to non-Muslim customers, controlling for other factors. This substantial effect size suggests that religious identity plays a critical role in shaping customer satisfaction with Islamic banking. Osman and Mohamed (2024) emphasised the importance of understanding the religious motivations of Islamic banking customers, noting that banks that effectively cater to religious needs can build stronger and more enduring customer relationships.

The policy implication is that banks in Douala must continue to cater to the religious needs of their predominantly Muslim customer base while also expanding appeal to non-Muslim customers. Banks should ensure that all products and services are genuinely Shariah compliant and that this compliance is effectively communicated to customers through multiple channels. Developing additional services that support religious practices, such as Zakat calculation tools specifically for the Cameroonian context, Hajj savings accounts for those planning pilgrimage and charity-linked savings products that facilitate giving during Ramadan and other religious occasions, would deepen customer engagement and satisfaction (Kamaruddin and Abdullah, 2024).

5.4 Education and Income: The Insignificant Role of Socioeconomic Factors

The finding that education and income do not have statistically significant effects on customer satisfaction indicates that these demographic factors are not major determinants of customer satisfaction in the Douala context. This result contrasts with the findings of some studies that have found demographic factors to influence customer perceptions of banking services. For instance, Rahman and Ali (2025) studied Islamic banking in Malaysia and found that age and education significantly influence customer awareness and understanding of Islamic banking products, which in turn affect satisfaction.

The non-significance of education may reflect the relatively high educational levels of the sample, with 75.0 percent of respondents holding Bachelor's degrees or higher. Ibrahim and Razak (2024)

suggested that at higher levels of education, the relationship between education and financial service perceptions may weaken, as most customers have sufficient understanding to evaluate banking services. The limited variation in educational levels among respondents may have reduced the ability to detect significant differences in satisfaction based on education.

The non-significance of income indicates that satisfaction with Islamic banking services is relatively consistent across income levels. Zainuddin and Ahmad (2025) found that income influences banking choices primarily through the demand for different types of products, rather than through satisfaction perceptions. The income distribution of respondents showed a relatively even spread across income categories, suggesting that Islamic banking services appeal to customers at various income levels, with satisfaction being shaped by factors other than income.

The policy implication is that banks should ensure that their services are accessible and appealing to customers across all demographic segments. Given the age distribution showing that younger and middle-aged adults are more actively engaged with Islamic banking services, banks should develop youth-focused products and digital banking services that appeal to customers under 35 years, while also offering personalised branch services for older customers who prefer face-to-face interactions. The relatively high educational levels of customers suggest that banks can introduce more sophisticated Islamic banking products and educational programs that cater to financially literate customers, while also developing simplified offerings for those with limited financial knowledge (Sulaiman and Zainal, 2025).

5.5 Synthesis of Findings and Theoretical Contributions

The findings of this study contribute to the theoretical understanding of customer satisfaction in Islamic banking by demonstrating the primacy of religious factors over other considerations in the Cameroonian context. The significant effect of religion on satisfaction supports the theory of religious congruence, which posits that consumers experience greater satisfaction when their purchases align with their religious beliefs and values (Kamaruddin and Abdullah, 2024). The non-significance of risk sharing and the negative effect of transparency suggest that the relationships between Islamic banking practices and satisfaction are more complex than initially theorised, with contextual factors playing important moderating roles.

The study also contributes to the literature by providing evidence from an African Islamic banking market, addressing the geographical gap identified in the literature review. Most existing studies on Islamic banking customer satisfaction focus on Middle Eastern and Southeast Asian markets, with limited attention to African contexts where Islamic banking is still emerging (Hamadou et al., 2023). This study demonstrates that findings from other contexts do not necessarily apply to African markets, highlighting the importance of context-specific research.

6. Conclusion

This article examined the effects of risk sharing, transparency and demographic factors on customer satisfaction in Islamic banking services offered by commercial banks in Douala, Cameroon. The study employed a quantitative research design with data collected from 80 customers across four bank branches. The analysis employed descriptive statistics, reliability testing, pairwise correlation, variance inflation factor, linear regression, Breusch-Pagan heteroskedasticity testing and Ramsey Reset testing to ensure the validity and reliability of the findings.

The study concludes that risk sharing does not significantly influence customer satisfaction in the Douala context. This finding suggests that risk sharing mechanisms may be less developed, less understood or less salient to customers compared to other Islamic banking practices. The limited influence of risk sharing on customer satisfaction may reflect the predominance of cost-plus financing products in the Cameroonian Islamic banking market and the relatively low awareness of profit and loss sharing arrangements among customers (Mohamed and Ibrahim, 2025).

The study further concludes that transparency has a negative influence on customer satisfaction, which is a counterintuitive finding that warrants careful interpretation. This result suggests that the relationship between transparency and satisfaction in the Douala context is complex and may be influenced by factors such as customer expectations and the quality of information disclosed. The negative relationship may indicate that increased transparency reveals information that customers perceive negatively, or that customers who are more aware of bank operations become more critical in their assessments (Yusoff and Hamzah, 2024).

The study concludes that religious affiliation significantly influences customer satisfaction, with Muslim customers demonstrating higher levels of satisfaction compared to non-Muslim customers. This finding confirms the importance of religious alignment in shaping customer perceptions and satisfaction with Islamic banking services. The religious motivation that drives customers to choose Islamic banking continues to influence their satisfaction with these services, as customers who view Islamic banking as fulfilling their religious obligations are more likely to be satisfied with their banking experience (Kamaruddin and Abdullah, 2024).

The study concludes that demographic factors other than religion, including education and income, do not significantly influence customer satisfaction with Islamic banking services in Douala. This finding suggests that the appeal of Islamic banking services is relatively uniform across different demographic groups, with satisfaction being shaped more by perceptions of specific Islamic banking practices and religious affiliation than by demographic characteristics (Sulaiman and Zainal, 2025).

Based on these conclusions, the study recommends that bank management strengthen their Shariah compliance mechanisms and communicate their commitment to Islamic principles more

effectively to enhance customer satisfaction. Banks should simplify product information and tailor communication strategies to enhance customer understanding while addressing the counterintuitive negative relationship between transparency and satisfaction. Banks should also enhance customer awareness and understanding of risk sharing mechanisms through targeted educational campaigns and product innovation. Regulatory authorities should develop comprehensive frameworks for Islamic banking operations and provide tax incentives to encourage the growth of Islamic banking institutions. Future researchers should expand the scope of research to include larger and more diverse samples, employ mixed methods approaches, examine additional Islamic banking practices and investigate mediating and moderating variables that may influence the relationship between Islamic banking practices and customer satisfaction.

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